

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2000-0136-C - ORDER NO. 2000-543

JUNE 28, 2000

IN RE: Application of LightNetworks, Incorporated)	ORDER <i>vow</i>
For A Certificate of Public Convenience and)	GRANTING
Necessity To Provide Facilities-Based and)	CERTIFICATE
Resold Local Exchange and Long Distance)	
Telecommunications Services, For Flexible)	
Regulation of Its Local Exchange Services)	
and Alternative Regulation of Its Long)	
Distance Service Offerings.)	

This matter comes before the Public Service Commission of South Carolina (the "Commission") by way of the Application of LightNetworks, Incorporated ("LightNetworks" or the "Company") for authority to provide facilities-based and resold local exchange and intrastate interexchange telecommunications services within the State of South Carolina. The Company requests that the Commission regulate its local telecommunications services in accordance with the principles and procedures established for flexible regulation in Order No. 98-165 in Docket No. 97-467-C. In addition, the Company requests that the Commission regulate its business services offerings identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. The Application was filed pursuant to S.C. Code Ann. §58-9-280(B) (1999) and Section 253 of the Telecommunications Act of 1996.

By letter, the Commission's Executive Director instructed LightNetworks to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the

areas affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. The Applicant complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. A Petition to Intervene was received from the South Carolina Telephone Coalition ("SCTC") on May 5, 2000.

On May 23, 2000, counsel for SCTC filed with the Commission a Stipulation in which the Applicant stipulated that it would seek authority in non-rural local exchange ("LEC") service areas of South Carolina and that it would not provide any local service to any customer located in a rural incumbent's service area, unless and until LightNetworks provided written notice of its intent prior to the date of the intended service. The Company also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. LightNetworks agreed to abide by all State and Federal laws and to participate to the extent that it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity to the Company provided the conditions contained in the Stipulation are met. The Stipulation is approved and attached as Order Exhibit 1.

A hearing was commenced on June 6, 2000, at 2:30 p.m. in the Commission's Hearing Room. The Honorable William Saunders, Vice Chairman, presided.

LightNetworks was represented by Bonnie D. Shealy, Esquire. Jocelyn D. Green, Staff Counsel, represented the Commission Staff.

Robert W. Gulledge, Director Regulatory and ILEC Relations of LightNetworks, appeared and testified in support of the Application. As Director of Regulatory and ILEC Relations at LightNetworks, Mr. Gulledge is responsible for all facets of the Company's regulatory and external affairs and issues regarding LightNetworks. Mr. Gulledge had telecommunications experience prior to joining LightNetworks. For example, he worked as an Industry Consultant for telecommunications companies. He participated in OBF and represented clients and companies in regulatory proceedings at state commissions, the FTC and the FCC. He was also Vice President of Telecom Relations and Business Development for U.S. Long Distance in San Antonio, Texas and Director of Finance for NECA.

According to the testimony, LightNetworks plans to offer facilities-based and resold local exchange and long distance service to both residential and business customers throughout the state. Local service includes basic local service, PBX Trunk service, direct inward dialing, optional calling features and listing services. The Company will offer operator services; however, it will not offer operator services at aggregator locations. LightNetworks will not offer prepaid calling cards in South Carolina. The Company also sought flexible regulation of its local exchange services and alternative regulation of its business service offerings.

LightNetworks was incorporated in the State of Georgia on August 31, 1999. The Company has received authority to operate as foreign corporation in the State of South

Carolina. Mr. Gullledge also testified LightNetworks has the technical, financial, and managerial ability to provide the services it proposes in South Carolina.

Mr. Gullledge testified LightNetworks has the requisite technical ability to provide telecommunications services in South Carolina. LightNetworks is currently certified to provide its services in North Carolina, Georgia, Florida, Tennessee, and Kentucky. As of the date of the hearing, LightNetworks had applications to provide telecommunications services in Mississippi, Louisiana, Alabama, and South Carolina. The record reveals no formal complaints or judgments had been levied against the Company nor had LightNetworks been investigated or sanctioned for service or billing irregularities. Finally, the Company has never had certification revoked or denied in any jurisdiction.

Upon receiving certification from the Commission, LightNetworks will be providing voice over digital subscriber line. This service will carry voice circuits over digital subscriber line giving customers who prescribe to the Company's service plain old telephone service with high-speed internet access. As a facilities-based telecommunications service provider, LightNetworks will deploy a Lucent Central Office Telecom type switch initially in mid-2000. The switch will be capable of handling the general telecommunication needs of business customers. The LightNetworks switch will be connected via leased transport facilities to the Company's deployed collocation equipment sites that will be installed in specific BellSouth Central offices.

LightNetworks has entered into an interconnection agreement with BellSouth and the Company's underlying carrier for its long distance services will be Qwest. Mr. Gullledge is the Company's regulatory contact person.

Mr. Gulledge also testified LightNetworks has sufficient financial capacity to provide the requested telecommunication services in South Carolina, the financial capability to maintain the telecommunications services the Company plans to offer in South Carolina, and the financial resources to meet its lease and ownership obligations. The testimony reveals LightNetworks' financial resources are more than adequate to meet the build-out needs that were projected for the Company's build-out plan in South Carolina. The testimony reveals LightNetworks has six million dollars in cash in the bank. In addition, Mr. Gulledge testified there are ongoing discussions of raising additional capital. The Company also has a forty million dollar line of credit with Lucent who is supplying the backbone of their network. The Company submitted pro forma statements with its Application. As of the hearing date, the Company had not produced any revenue; LightNetworks was still in the process of provisioning its network. Mr. Gulledge is also the contact person for inquiries regarding the financial position of the Company.

Mr. Gulledge also testified LightNetworks has the depth of management needed to be a competitive provider within the State of South Carolina. The officers of the Company are as follows: Jeff Smock (Chief Executive Officer and Founder), Henry Burgstiner (Vice President of Operations and Engineering), Eston Kirby (Vice President of Planning), and Neil Timm (Chief Technical Officer). At the time of the hearing, the positions of Chief Financial Officer and Vice President of Sales and Marketing were vacant. According to the record, Mr. Smock, prior to joining Lightnetworks, served as Vice President of Business Planning and Corporate Secretary at Ernest Communications,

Inc. (ECI). Mr. Burgstiner had thirty-five years of telecommunications experience prior to joining LightNetworks. He also recently worked for a publicly-traded CLEC operating thirty-eight cities. When Mr. Kirby began working at LightNetworks he had thirty plus years of telecommunications experience, with management assignments in network, engineering and consulting. He worked with BellSouth until 1996 and has since held positions with a private telecommunications consulting firm and with BlueStar Communications, in Nashville, TN. Finally, the record also reveals Mr. Timm was employed with Lucent Technologies prior to joining LightNetworks. When Mr. Timm was employed with Lucent Technologies and Laboratories, he conducted research and tested Central Office Switch and Transmission Technologies.

Mr. Gulledge also provided information on LightNetworks' customer service department and billing services. LightNetworks operates a toll free customer service department. The record reveals customer service agents will be available twenty-four hours per day, seven days a week. In addition, the testimony indicates LightNetworks' local services will be billed directly by the Company on a monthly basis. Finally, LightNetworks' toll free number will be provided on the customer bill and in all LightNetworks' mailings.

LightNetworks will solicit its customers through direct mailing or through other means such as newspapers, magazines, etc. According to the testimony, LightNetworks will probably utilize telemarketing in the future to generate sales leads. The Company also seeks exemptions from the Uniform System of Accounts, directory publishing, and maintaining its records in the State. The Company does not plan to publish a directory

directly, but will arrange for its customers names, telephone numbers, and addresses to be published in the ILEC directory. LightNetworks keeps its books and records on a nationwide basis according to GAAP. The Company also requested a waiver of 26 S.C. Code Ann. Regs. 103-610 (1976) so that LightNetworks can maintain its records required under the Commission's rules or necessary for the administration thereof, to be kept outside the State of South Carolina.

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. LightNetworks is organized as a corporation under the laws of the State of Georgia and is authorized to do business as a foreign corporation in the State of South Carolina by the Secretary of State.
2. LightNetworks is a provider of local exchange and interexchange telecommunications services and wishes to provide its services in South Carolina.
3. LightNetworks has the managerial, technical, and financial resources to provide the services as described in its Application.
4. The Commission finds that LightNetworks' "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. Section 58-9-280 (B)(3) (Supp. 1999).
5. The Commission finds that LightNetworks will support universally available telephone service at affordable rates.

6. The Commission finds that LightNetworks will provide services which will meet the service standards of the Commission.

7. The Commission finds that the provision of local exchange service by LightNetworks “does not otherwise adversely impact the public interest.” S.C. Code Ann. Section 58-9-280 (B)(5) (Supp. 1999).

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to LightNetworks to provide facilities-based and resold competitive intrastate non-rural local exchange service in South Carolina. The terms of the Stipulation between LightNetworks and SCTC are approved, and adopted as a part of this Order. Any proposal to provide such service to rural service areas is subject to the terms of the Stipulation. In addition, LightNetworks is granted authority to provide resold and facilities-based intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), directory assistance, travel card service or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. LightNetworks shall file, prior to offering local exchange services in South Carolina, its final tariff of its local service offerings conforming to all matters discussed with Staff and comporting with South Carolina law in all matters. LightNetwork’s local telecommunications services shall be regulated in accordance with

the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C. Specifically, the Commission adopts for LightNetwork's competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels that will have been previously approved by the Commission. Further, LightNetworks's local exchange service tariff filings are presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing, in which case the tariff filing would be suspended pending further Order of the Commission. Further, any such tariff filings will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

3. The Commission adopts a rate design for the long distance services of LightNetworks which are consistent with the principles and procedures established for alternative regulation of business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C.

Under the Commission approved alternative regulation, the business service offerings of LightNetworks including consumer card services, and operator services, are subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a

particular tariff filing within the seven days, the tariff filing will then be suspended until further Order of the Commission. Any relaxation in the future reporting requirements that may be adopted for AT&T shall apply to LightNetworks also.

4. With regard to the interexchange residential service offerings of LightNetworks, the Commission adopts a rate design which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

5. LightNetworks shall not adjust its interexchange residential rates below the approved maximum level without notice to the Commission and to the public. LightNetworks shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for interexchange residential services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1999).

6. If it has not already done so by the date of issuance of this Order, LightNetworks shall file its revised maximum long distance tariff and an accompanying price list within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

7. LightNetworks is subject to access charges pursuant to Commission Order No. 86-584 in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

8. With regard to the Company's resale interexchange service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

9. LightNetworks shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If LightNetworks changes underlying carriers, it shall notify the Commission in writing.

10. With regard to the origination and termination of toll calls within the same LATA, LightNetworks shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the Federal Communications Commission, pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209).

11. LightNetworks shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A. Attachment A is entitled Annual Information on South Carolina Operations for Interexchange Companies and AOS' and consists of two pages.

12. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours.

LightNetworks shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. Attachment B shall be utilized for the provision of this information to the Commission. Further, the Company shall promptly notify the Commission in writing if the representatives are replaced.

13. LightNetworks shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

14. By its Application, LightNetworks requested a waiver of 26 S.C. Code Ann. Regs. 103-610 and 103-631 (1976 and Supp. 1999). The Company request a waiver

of 26 S.C. Code Ann. Regs. 103-610 (1976) so it may maintain its records required by the Public Service Commission rules or necessary for the administration thereof, outside the State of South Carolina. The Company also requests a waiver 26 S.C. Code Ann. Regs. 103-631 (Supp. 1999) so that the Company may contract with the ILECs to provide its customers with directory listings as well as to undertake the distribution of directories. Finally, the Company requests permission to maintain its books and records in accordance with GAAP. We grant the Company's request of an exemption from the USOA and a waiver of 26 S.C. Code Ann. Regs. 103-610 and 103-631 (1976 and Supp. 1999). The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

15. Title 23, Chapter 47, South Carolina Code of Laws Ann., governs the establishment and implementation of a "Public Safety Communications Center," which is more commonly known as a "911 system" or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs LightNetworks to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the appropriate authorities is to be made before beginning telephone service in South Carolina. Accompanying this Order is an information packet from the South Carolina Chapter of the National Emergency Number Association ("SC NENA") with contact information and sample forms. The Company may also obtain information by contacting the E911 Coordinator at the Office of

Information Resources of the South Carolina Budget and Control Board. By this Order and prior to providing services within South Carolina, LightNetworks shall contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company's operations as required by the 911 system.


16. LightNetworks shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of intrastate information. Therefore, LightNetworks shall keep financial records on an intrastate basis for South Carolina to comply with the annual report and gross receipts filings. Attachment C shall be utilized by LightNetworks to file its annual financial information. The annual report for competitive local exchange carriers consists of four pages.

17. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)

**ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS
FOR INTEREXCHANGE COMPANIES AND AOS'**

COMPANY NAME	FEIN
---------------------	-------------

ADDRESS	PHONE NUMBER
----------------	---------------------

CITY, STATE, ZIP CODE	FAX NUMBER
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1. SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31, 2000 OR FISCAL YEAR. \$ _____
2. SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31, 2000 OR FISCAL YEAR. \$ _____
3. RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS FOR THE 12 MONTHS
ENDING DECEMBER 31, 2000 OR FISCAL YEAR:

Gross Plant in located or allocated to South Carolina operations \$ _____

CWIP located in or allocated to South Carolina operations \$ _____

Land located in or allocated to South Carolina operations \$ _____

Accumulated Depreciation of South Carolina Plant (\$ _____)

Net Rate Base located in or allocated to South Carolina operations \$ _____

4. PARENT'S CAPITAL STRUCTURE FOR THE 12 MONTHS ENDING
DECEMBER 31, 2000 OR FISCAL YEAR:

LONG TERM DEBT \$ _____

EQUITY \$ _____

5. PARENT'S AVERAGE RATE OF INTEREST ON LONG TERM DEBT _____ %.

JUNE 28, 2000

ATTACHMENT A

6. CONTACT PERSON FOR ALL FINANCIAL INQUIRES AND REPORTING:

NAME _____

ADDRESS IF DIFFERENT FROM COMPANY _____

TELEPHONE NUMBER _____

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS

FOR INTEREXCHANGE COMPANIES AND AOS'

- 7. ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3 ABOVE)(USE BACK IF NEEDED).**

NAME OF OFFICER SIGNING FORM (PRINT OR TYPE) _____

SIGNATURE _____

TITLE _____

JUNE 28, 2000

ATTACHMENT B

AUTHORIZED UTILITY REPRESENTATIVE INFORMATION

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION REGULATION

103-612.2.4(b) - Each utility shall file and maintain with the Commission the name, title, address, and telephone number of the persons who should be contacted in connection with General Management Duties, Customer Relations (Complaints), Engineering Operations, Test and Repairs, and Emergencies during non-office hours.

Company Name (Including dba Name(s) or Acronyms used or to be used in South Carolina)

Business Address

City, State, Zip Code

A.

General Manager Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

B.

Customer Relations (Complaints) Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

C.

Engineering Operations Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

D.

Test and Repair Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

E.

Contact for Emergencies During Non-Office Hours (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

F.

Financial Representative (Please Print or Type)

Telephone Number / Facsimile Number / E-mail Address

G.

Customer Contact Telephone Number for Company (Toll Free)

This form was completed by

Signature

If you have any questions, contact the Consumer Services Department (803-896-5230)
or Utilities Department at (803-896-5105).

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ATTACHMENT C

ANNUAL REPORT FOR COMPETITIVE LOCAL EXCHANGE CARRIERS

COMPANY NAME: _____

ADDRESS: _____

CITY: _____ **STATE:** _____ **ZIP:** _____

PHONE NUMBER: _____ **FAX NUMBER:** _____

****If any of this information changes, the Commission is to be notified at once****

OFFICERS: PRESIDENT: _____

VICE PRESIDENT: _____

TREASURER: _____

CONTACT PERSON FOR FINANCIAL AND REGULATORY INFORMATION:

NAME: _____

(PLEASE PRINT OR TYPE)

CONTACT'S PHONE: _____

****If this person changes, you must notify the Commission immediately****

COMPETITIVE LOCAL EXCHANGE CARRIERS

Company Name: _____

Income Statement
12/31/2000/or Fiscal Year

Particulars	<u>Current Year-Total</u> <u>Company</u>	<u>Last Year-Total</u> <u>Company</u>	<u>SC Intrastate-Current</u> <u>Year</u>
Revenues			
Operating Revenues			
Operating Expenses			
Access and Billing Expenses and Expenses Related to Resale			
Other Local Interconnection Expenses			
Leases Facilities from Other Carriers			
Communications System Operations			
Sales and Marketing			
Administration and General			
Depreciation and Amortization			
Other			
Total Operating Expenses			
Net Operating Income			
Other Income and Expenses			
Nonoperating Income and Expenses (Net)			
Nonoperating Taxes			
Interest			
Extraordinary Items			
Total Other Income and Expenses (Net)			
Net Income			

Number of South Carolina Access Lines	
--	--

COMPETITIVE LOCAL EXCHANGE CARRIERS

Company Name: _____

**Balance Sheet-Total Company
December 31, 2000/or Fiscal Year Ending**

<u>Particulars</u>	<u>Balance at Beginning of Year</u>	<u>Balance at Ending of Year</u>
<u>Current Assets</u>		
Cash and Cash Equivalents		
Accounts Receivable-Telecommunications		
Accounts Receivable-Other		
Notes Receivable		
Other Receivables		
Materials and Supplies		
Prepays		
Other Current Assets		
Total Current Assets		
<u>Noncurrent Assets</u>		
Investments		
Other Noncurrent		
Deferred Charges		
Total Noncurrent Assets		
<u>Plant Assets</u>		
Telecommunications Plant in Service		
Accumulated Depreciation		
Net Telecommunications Plant in Service		
Other Plant Assets (Net of Depreciation)		
Construction Work in Progress		
Total Plant		
Total Assets		

COMPETITIVE LOCAL EXCHANGE ANNUAL REPORT

Company Name: _____

Balance Sheet-Total Company
December 31, 2000/or Fiscal Year Ending

Particulars	Balance at Beginning of Year	Balance at Ending of Year
<u>Current Liabilities</u>		
Accounts Payable		
Advanced Billings and Payments		
Customer Deposits		
Long Term Debt-Current Maturities		
Accrued Liabilities		
Other Current Liabilities		
Total Current Liabilities		
<u>LongTerm Debt</u>		
Long Term Debt		
Obligations Under Capital Leases		
Advances From Affiliated Companies		
Other Long Term Debt		
Total Long Term Debt		
<u>Stockholders Equity</u>		
Capital Stock		
Additional Paid in Capital		
Retained Earnings		
Total Stockholders Equity		
Total Liabilities and Stockholders Equity		

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

Docket No. 2000-0136-C

Re: Application of LightNetworks, Inc. for a)
Certificate of Public Convenience and)
Necessity to Provide Local Exchange and)
Resold Long Distance Telecommunications)
Services in the State of South Carolina)
_____)

STIPULATION

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and LightNetworks, Inc. ("LightNetworks") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose LightNetworks' Application. SCTC and LightNetworks stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to LightNetworks, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. LightNetworks stipulates and agrees that any Certificate which may be granted will authorize LightNetworks to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. LightNetworks stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. LightNetworks stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until LightNetworks provides such rural incumbent LEC and the Commission with written

notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, LightNetworks acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. LightNetworks stipulates and agrees that, if LightNetworks gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then LightNetworks will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. LightNetworks acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and LightNetworks, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. LightNetworks agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

9. LightNetworks hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 23rd day of May, 2000.

ROBINSON, McFADDEN & MOORE, P.C.

By Bonnie D. Shealy
Bonnie D. Shealy
Post Office Box 944
Columbia, SC 29202
(803) 779-8900

Attorneys for LightNetworks, Inc.

South Carolina Telephone Coalition:

By Margaret M. Fox
M. John Bowen, Jr.
Margaret M. Fox
McNair Law Firm, P.A.
Post Office Box 11390
Columbia, SC 20202
(803) 799-9800

Attorneys for South Carolina Telephone Coalition

ATTACHMENT A

South Carolina Telephone Coalition Member Companies for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.
Chesnee Telephone Company
Chester Telephone Company
Farmers Telephone Cooperative, Inc.
Ft. Mill Telephone Company
Heath Springs Telephone Company Inc.
Home Telephone Company, Inc.
Lancaster Telephone Company
Lockhart Telephone Company
McClellanville Telephone Company
Norway Telephone Company
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
Pond Branch Telephone Company
Ridgeway Telephone Company
Rock Hill Telephone Company
Sandhill Telephone Cooperative, Inc.
St. Stephen Telephone Company
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

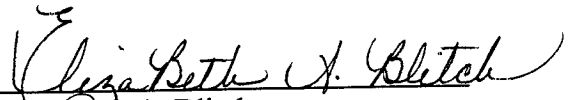
Docket No. 2000-0136-C

Re: Application of LightNetworks, Inc. for a)
Certificate of Public Convenience and)
Necessity to Provide Local Exchange and)
Resold Long Distance Telecommunications)
Services in the State of South Carolina)
_____)

**CERTIFICATE OF
SERVICE**

I, ElizaBeth A. Blitch, do hereby certify that I have this date served one (1) copy of the foregoing Stipulation upon the following party of record by causing said copy to be deposited with the United States Mail, first class postage prepaid to:

Bonnie Shealy, Esquire
Robinson, McFadden & Moore, P.C.
Post Office Box 944
Columbia, South Carolina 29202.


ElizaBeth A. Blitch
McNAIR LAW FIRM, P.A.
Post Office Box 11390
Columbia, South Carolina 29211
(803) 799-9800

May 23, 2000

Columbia, South Carolina